

■ Ensuring Information Security

In recent years, on the internet, cyberattacks have increased in sophistication worldwide, and even in public organizations and private companies in Japan, a large scale of information leakage has continuously occurred. Furthermore, the threat of cyber terrorism through computer viruses and other infections, which cause dysfunction in information systems related to the social infrastructure, is increasing.

JR East, as a corporate group which supports the social infrastructure of railways, has designed and introduced an information security management system based on the Group's basic policy for information security, and regularly carries out security measures including upgraded information system functions.

The Group will actively develop human resources specializing in security in cooperation with external organizations and by sharing information with other companies, with the aim of improving cyber security-related knowledge. At the same time, we will conduct problem response drills aimed at minimizing effects in the event of a problem, by promptly constructing an initial framework and taking measures through departmental cooperation.

All employees are kept constantly up to date on the importance of information security and the strict handling of information through our rule book on information system use and our internal magazine. All Group employees also receive information security education with the aim of raising awareness about how they should guarantee workplace information security.

■ Personal Data Protection

Pursuant to applicable laws and regulations including the Act on the Protection of Personal Information, the JR East Group published its Privacy Policy, formulated the Regulations for the Management of Personal Information and appointed Chief Privacy Officers who have the responsibility of strictly protecting personal data. Furthermore, as one of several measures responding to the government's General Data Protection Regulation, which came into force in May 2018, we have now published an English-language version of our privacy policy on our website.

Through leaflets for raising employee awareness, articles in our internal magazines and compliance education, we are also working to ensure that all employees remain fully aware of the necessity of the strict handling and management of personal data. Furthermore, in order to ensure proper control of personal data, the Group conducts periodic internal workplace audits.

■ Impropropriety at Shinanogawa Power Station

In March, 2009 JR East received an administrative sanction because the company's water intake had exceeded the maximum allowed at our hydroelectric plant, Shinanogawa Power Station (the collective name for the Senju, Ojiya and Ojiya Daini power plants in Ojiya and Tokamachi Cities, Niigata Prefecture).

The sanction was issued in accordance with the River Act and included the revocation of a permit to draw water from the Shinano River. Subsequent to receipt of this sanction, we have taken corrective actions in accordance with the directions in the sanction and have endeavored to implement measures to prevent recurrence and to cultivate close cooperation with the local communities.

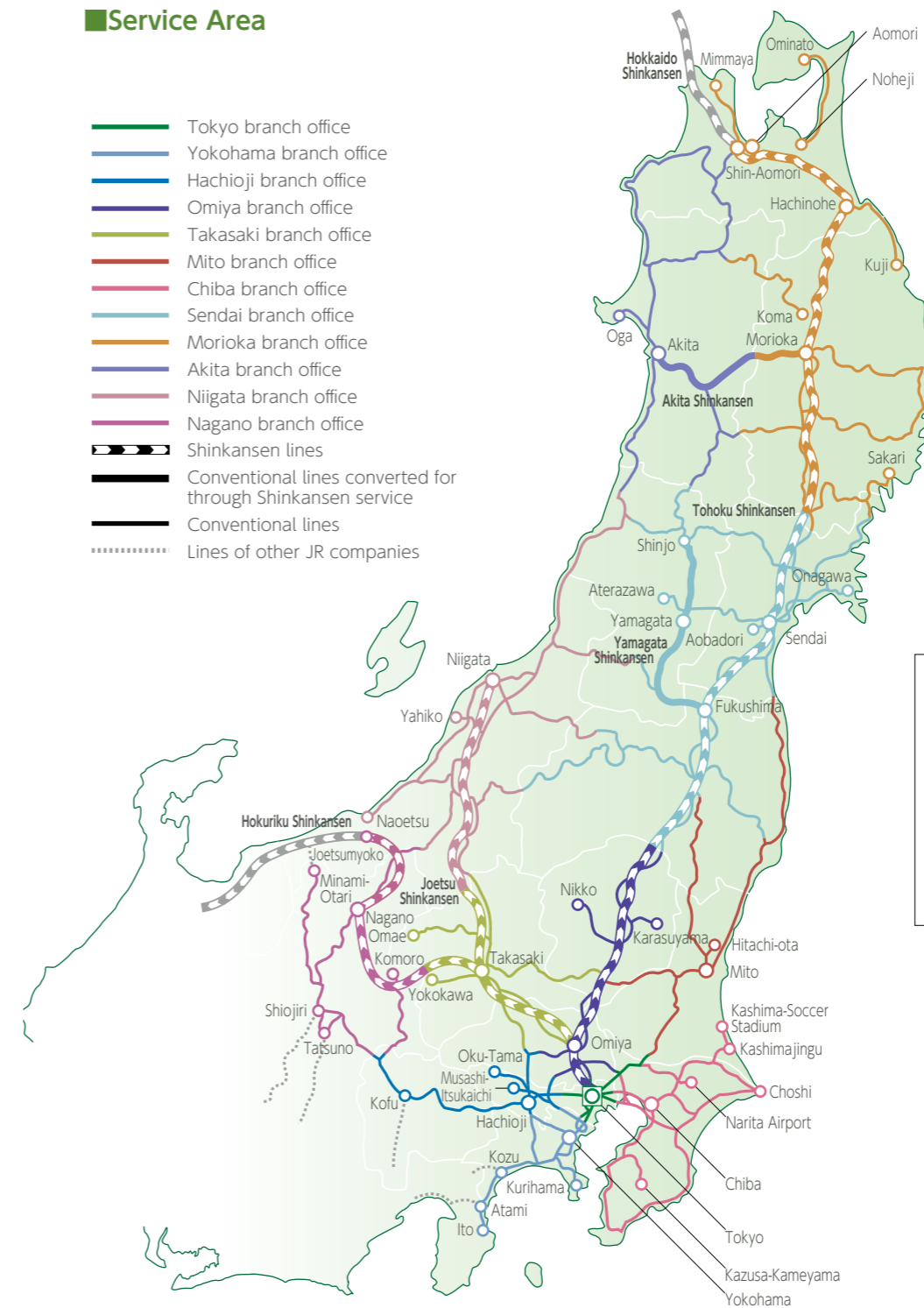
In June 2010, having obtained a permit from the Director of the Hokuriku Regional Development Bureau of the Ministry of Land, Infrastructure, Transport and Tourism to again take water from the Shinano River through to June 2015, we resumed operation of the Shinanogawa Power Station.

Following resumption, we conducted a trial sluice for coordinating river environment and water use. With the results of the investigation and opinions collected from local residents, we filed a renewal application in May 2015 and received approval in June 2015.

We are sincerely committed to fostering harmony with the river environment and enhancing coprosperity with communities. Furthermore we are promoting compliance management to prevent occurrence of similar incidents.

Corporate Info

■ Service Area



Passenger line network	Shinkansen lines: 1,194.2km Conventional lines: 6,263.1km
Number of stations	1,667
Total number of trains in operation per day	12,236 (Timetable revised in March 2018)
Total number of passengers per day	approx. 17.70 million

Management Information

Businesses Outline of the JR East Group (as of September, 2018)

Our company and our affiliated companies are engaged in transportation business, distribution and services business, real estate and hotel business, and other businesses. In each business our company's position in relation to each of our affiliated companies is described below:

Transportation Business

In addition to passenger transportation business centered around railway operation, we provide travel services, cleaning and maintenance services, station operation services, facilities maintenance services and rolling stock manufacturing and maintenance work.

Distribution and Services Business

We are providing life services business, such as retail and restaurant business, wholesale business, truck transportation business and advertising agency.

Real estate/Hotel Business

We are providing life services business, such as shopping center operations, leases and rentals of office buildings, and hotel operations.

Others

In addition, we are providing credit card business such as IT-Suica, and information processing business.

Transportation Business Railway business, bus business, cleaning and maintenance business, rolling stock manufacturing business Major subsidiaries with consolidated accounts Tokyo Monorail Co., Ltd./JR Bus Kanto Co., Ltd./JR East Environment Access Co., Ltd./JR East Facility Management Co., Ltd./Japan Transport Engineering Company/JR East Rail Car Technology & Maintenance Co., Ltd.	Distributions and Services Businesses Retail business, restaurant business, advertising agency Major subsidiaries with consolidated accounts JR East Retail Net Co., Ltd./Nippon Restaurant Enterprise Co., Ltd./East Japan Marketing & Communications, Inc.	Customers and Counterparty companies
Real estate and Hotel Business Management of shopping centers, office building leases and hotel business Major subsidiaries with consolidated accounts LUMINE Co., Ltd./Atre Co., Ltd./JR East Urban Development Corporation/JR East Building Co., Ltd./Nippon Hotel Co., Ltd./Sendai Terminal Building Co., Ltd.	Others Credit card business such as IT-Suica, information processing business, etc. Major subsidiaries with consolidated accounts Viewcard Co., Ltd./JR East Information Systems Company/JR East Mechatronics Co., Ltd.	

In relation to the supply chain, it can be divided into two parts, the railway business and non-railway businesses.

For the railway business, JR East generates electricity at its own power stations or directly purchases electricity from electrical companies. Electricity is provided to trains through substations and overhead contact lines. Additionally, we operate railways and offer transport services to our customers through the provision of continuous comprehensive services, while also maintaining station staff members, conductors and other various facilities.

With regard to non-railway businesses, while pursuing synergetic effects with the railway business itself, each business operates its own specific supply chain, as it provides various services to customers.

Following is a schematic of JR East businesses

Businesses of the JR East Group (as of September 1, 2018)

Transportation services

JR Bus Kanto Co., Ltd. / JR Bus Tohoku Co., Ltd. / Tokyo Monorail Co., Ltd.

Shopping center operations

Tetsudo Kaikan Co., Ltd. / atre Co., Ltd. / LUMINE Co., Ltd. / Yokohama Station Building Co., Ltd. / Shonan Station Building Co., Ltd. / JR Chuo Line Mall Co., Ltd. / JR East Department Store Co., Ltd. / JR Tokyo West Development Co., Ltd. / Kinshicho Station Building Co., Ltd. / Chiba Station Building Co., Ltd. / JR East Aomori Business-Development Company Co., Ltd. / Tokky Co., Ltd. / Station Building MIDORI Co., Ltd.

Office operations

JR East Building Co., Ltd.

Hotel operations

Nippon Hotel Co., Ltd. / Sendai Terminal Building Co., Ltd. / Morioka Terminal Building Co., Ltd. / Akita Station Building Co., Ltd.

Retail shop and restaurant businesses

JR East Retail Net Co., Ltd. / Nippon Restaurant Enterprise Co., Ltd. / JR East Food Business Co., Ltd. / JR East Water Business Co., Ltd. / Kinokuniya Co., Ltd. / JR East Tohoku Sogo Service Co., Ltd.

Trading and logistics businesses

East Japan Railway Trading Co., Ltd. / JR East Logistics Co., Ltd.

Travel agent and car rental services

JR EAST VIEW Travel Service Co., Ltd. / JR East Rental & Lease Co., Ltd.

Sports and leisure businesses

JR East Sports Co., Ltd. / GALA YUZAWA Co., Ltd.

Real estate management

JR East Urban Development Corporation

Information, financial, and personnel services

JR East Japan Information Systems Company / JR East Net Station Co., Ltd. / JR East Management Service Co., Ltd. / JR East Personnel Service Co., Ltd. / JR East Green Partners Co., Ltd.

Credit card business

Viewcard Co., Ltd.

Advertising and publishing

East Japan Marketing & Communications, Inc. / JR East Media Co., Ltd. / The Orangepage, Inc.

Cleaning and linen supply services

JR East TESSEI Co., Ltd. / JR East Transportation Services Co., Ltd. / East Japan Eco Access Co., Ltd. / JR East Station Service Co., Ltd. / JR Takasaki Railway Services Co., Ltd. / JR Mito Railway Services Co., Ltd. / JR Chiba Railway Services Co., Ltd. / JR Technoservice Sendai Co., Ltd. / Morioka Railway Servicing Co., Ltd. / JR Akita Railway Services Co., Ltd. / JR Niigata Railway Services Co., Ltd. / JR Nagano Railway Services Co., Ltd. / JR Higashinohon Linen Co., Ltd.

Construction consulting and maintenance services

JR East Consultants Company / JR East Design Corporation / JR East Facility Management Co., Ltd. / JR EAST MECHATRONICS Co., Ltd. / Union Construction Co., Ltd. / Japan Railway Track Technology Consultants Co., Ltd.

Rolling stock manufacturing and maintenance

Japan Transport Engineering Company / JR East Rail Car Technology & Maintenance Co., Ltd.

Overseas railway consulting

Japan International Consultants for Transportation Co., Ltd.

Global development of Lifestyle Service Business

JRE Business Development Taiwan, Inc.

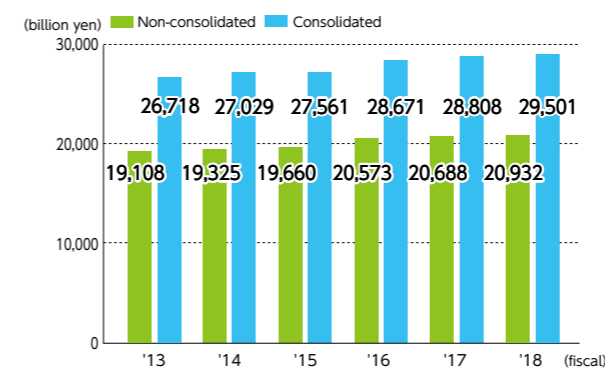
Generation and district heating and cooling

JR East Energy Development Co., Ltd. / Shinjuku South Energy Service Co., Ltd.

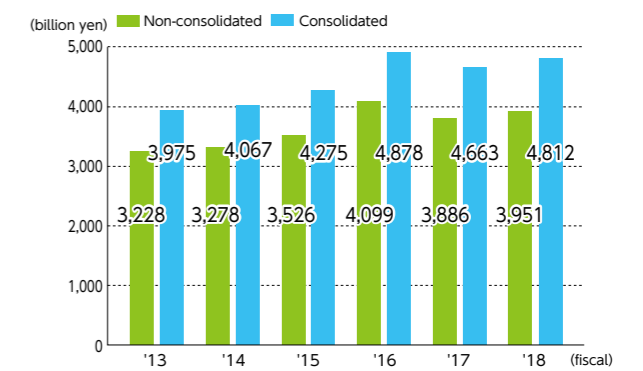
Corporate Venture Capital

JR East startup Co., Ltd.

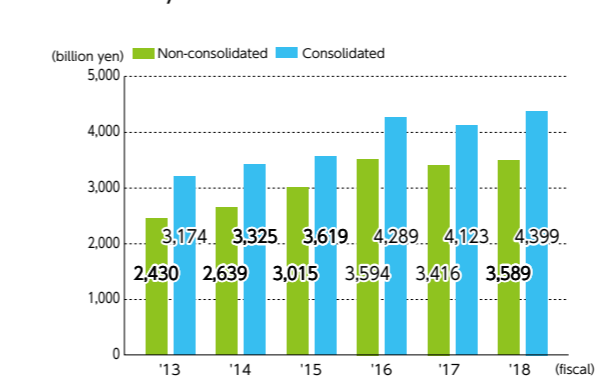
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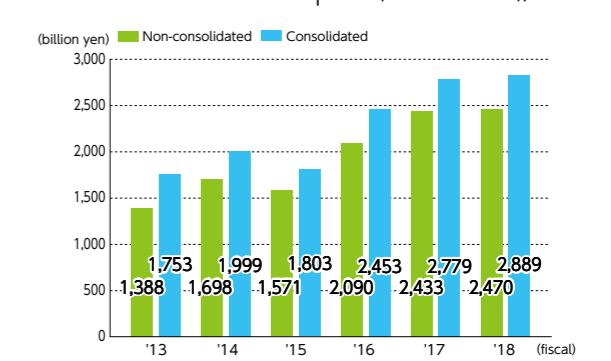
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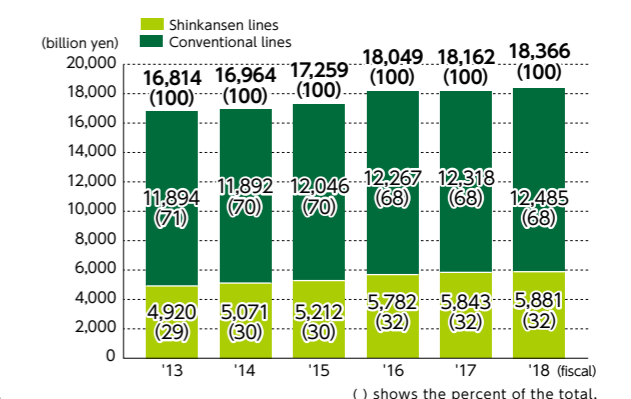
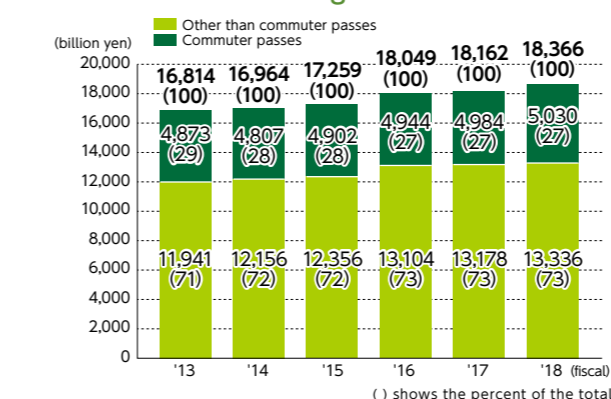
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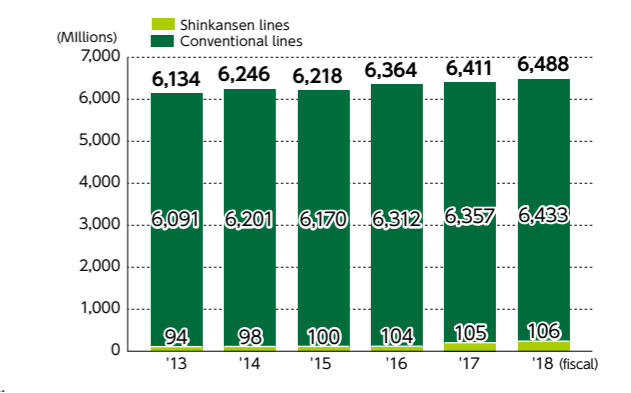
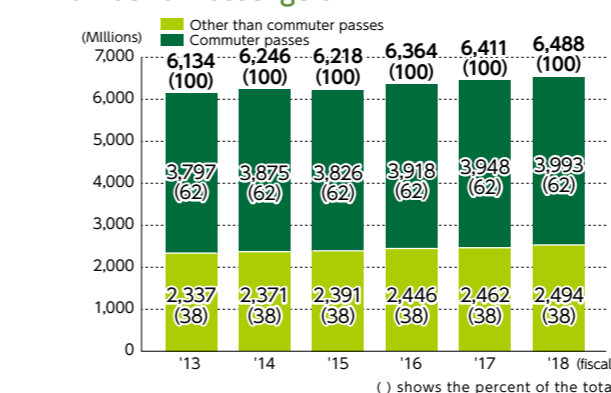
<Net Income (Non-consolidated) and Profit attributable to owners of parent (Consolidated)>



Revenues from Passenger Tickets



Number of Passengers



Note 1) Fractions of 100 million yen have been omitted.

Note 2) Fractions of 1 million passengers have been omitted.

Note 3) The sum of the numbers of passengers on the Shinkansen and conventional lines is greater than the passenger total because some individual passenger trips include both.